



Memo

To: Commissioners, First 5 Ventura County
From: Petra Puls, Director of Program and Evaluation
Date: May 22, 2014
Re: Recommendation to grant authority to Executive Director to continue contract with Economic Development Collaborative - Ventura County to manage and implement the Community Investment Loan Fund

Background

The goal of the Community Investment Loan Fund is to increase the number of licensed quality child care and preschool spaces for Ventura County’s children by providing low-cost financing for facilities development. Following a bid process in July 2009, the Commission selected the Economic Development Collaborative of Ventura County (EDC-VC) as the implementation partner for the Community Investment Loan Fund (CILF). The Commission also approved loan terms and guidelines, which include short-term planning and construction loans, and longer-term amortizing loans.

The administrative costs associated with managing and implementing the Community Investment Loan Fund for FY 2014-15 are projected to be \$26,140, and anticipated interest earnings for the CILF are projected to offset these administrative costs. The EDC-VC scope of work includes marketing, outreach, development of relevant materials, loan consultations for potential borrowers, processing of loan applications and management of loan repayments. EDC-VC is also responsible for developing and maintaining a Loan Board that would approve loans, loan modifications, waivers, or foreclosure actions. The Loan Board does not have authority to write-off loans; loan write-off actions require Commission approval.

The Commission previously approved an allocation of \$1,300,000 in loan funds for the CILF. The following loans have been issued to date:

Loan Recipient	Loan Amount	NEW 0-5 Spaces
ABC Kids Care - Fillmore	\$175,000	90
Princeton Avenue - Moorpark	\$89,368	12
TOTAL	\$264,368	102

Staff is anticipating that two additional loans totaling approximately \$400,000 will be issued within the next few months, pending loan board approval. Funds are released to EDC-VC upon approval of loans. If any new loans are issued prior to June 30, 2014, the total amount available for loans for FY2014-15 would be reduced accordingly.

Recommendation

The recommended action would grant authority to the Executive Director to continue to contract with the Economic Development Collaborative - Ventura County (EDC-VC) to administer and implement the Community Investment Loan Fund for FY 2014-15, not to exceed \$1,061,772. The contract amount would provide funds for EDC-VC to issue up to \$1,035,632 in loans to eligible Community Investment Loan Fund applicants under the previously approved loan guidelines. No new allocations would be required.